# STATE OF ARIZONA

## DEPARTMENT OF INSURANCE

DEPT OF INSTRANCE

MAY

Docket No. 09A-054-INS

In the Matter of the

Merger of

Aetna Health Inc.

(NAIC No. 95003),

Insurer,

Into

Aetna Health Inc.

(NAIC No. 95109),

Petitioner.

On November 28, 2008, pursuant to A.R.S. § 20-1070, Aetna Health Inc., a Pennsylvania corporation ("Petitioner") submitted an application to the Arizona Department of Insurance (the "Department") for the merger of Aetna Health Inc., an

Arizona corporation ("Insurer") with and into Petitioner.

Based upon reliable evidence provided to the Director of Insurance ("Director") by the Assistant Director of the Financial Affairs Division of the Department, the Director makes the following Findings of Fact, Conclusions of Law and enters the following Order:

## FINDINGS OF FACT

1. Insurer is duly qualified and authorized as a health care services organization in the State of Arizona.

- 2. Petitioner is a Pennsylvania corporation duly qualified and authorized as a health care services organization in the State of Arizona.
  - 3. The Petitioner has met the requirements for a certificate of authority.
- 4. The Department holds an ordinary statutory deposit in the amount of \$525,000 on behalf of the Insurer.
- 5. The Department holds an escrow reserve deposit in the amount of \$1,100,000 on behalf of the Insurer.
- 6. Petitioner has prepared Articles of Merger it intends to file with the Arizona Corporation Commission.

### **CONCLUSIONS OF LAW**

- The application established that none of the enumerated grounds set forth in A.R.S. § 20-1070 exist so as to provide a basis for disapproval or rejection of the Agreement and Plan of Merger.
- 2. The evidence established that Petitioner has complied with the provisions of A.R.S. § 20-1070 and established by credible evidence that the Agreement and Plan of Merger between Insurer and Petitioner should be approved.

#### <u>ORDER</u>

- Petitioner may file its Articles of Merger with the Arizona Corporation
   Commission.
- The Agreement and Plan of Merger between the Insurer and the Petitioner shall be approved.
- 3. Insurer shall file its 2009 Annual Statement including applicable fees with the Department unless Petitioner files its Articles of Merger with the Arizona Corporation Commission on or before December 31, 2009.

- 4. Insurer shall pay its Certificate of Authority renewal fee if the Articles of Merger are not filed on or before March 31, 2010.
- 5. Petitioner is entitled to the release of Insurer's ordinary statutory deposit in the amount of \$525,000. Insurer's ordinary statutory deposit shall be released to the Petitioner after the Department receives the following: (a) a copy of Petitioner's Articles of Merger certified as having been filed with the Arizona Corporation Commission, and (b) payment of any outstanding invoices owing to the IERF. The Director has no personal liability for the release of such deposit so made by her in good faith as provided in A.R.S. §20-588(B).
- 6. The escrow reserve deposit of the Insurer in the amount of \$1,100,000 shall be transferred to an account in the name of Petitioner with the Department and shall be held as an escrow reserve deposit of Petitioner. Insurer's escrow reserve deposit shall be transferred to an account in the name of the Petitioner after the Department receives a copy of Petitioner's Articles of Merger certified as having been filed with the Arizona Corporation Commission.

DATED this 4th day of May , 2009.

CHRISTINA URIAS Director Of Insurance

1	COPY of the foregoing mailed this5th day of, 2009,	
2	this 5th day of May, 2009,	
3	Gerrie Marks, Deputy Director	
4	Mary Butterfield, Assistant Director Catherine O'Neil, Consumer Legal Affairs Officer	
5	Steven Ferguson, Assistant Director Leslie R. Hess, Financial Affairs Legal Analyst	
6	Kurt Regner, Chief Financial Analyst Department of Insurance 2910 North 44 <sup>th</sup> Street, Suite 210	
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